



Board Risk Management Committee Charter

Table of Content

1.	Introduction.....	3
2.	Purpose of the Board Risk Management Committee.....	3
3.	Duties and Responsibilities	3
4.	Authority	4
5.	Size, make-up and competencies of committee members	5
6.	Secretary at meeting.....	5
7.	Chairperson’s eligibility and terms of appointment	5
8.	Reconstitution	6
9.	Remuneration of members of the Committee.....	6
10.	Frequency of meetings.....	6
11.	Attendance at Meetings.....	6
12.	Notice of meetings.....	6
13.	Quorum at meetings.....	6
14.	Record keeping at meetings.....	6
15.	Appointment of sub-committee.....	6
16.	Ability to take external advice	7
17.	Reporting and accountability	7
18.	Chief Conduct and Compliance Officer.....	7
19.	Chief Risk Officer.....	7
20.	Other Issues	7

1. Introduction

This Charter governs the operations of Access Bank Plc's Board Risk Management Committee ('the Committee'). The Committee shall review and re-assess this Charter every three years or such other period as the circumstance may warrant and recommend required changes to the Board.

2. Purpose of the Board Risk Management Committee

The Committee shall assist the Board in fulfilling its oversight responsibility relating to establishment of policies, standards and guidelines for risk management and compliance with legal and regulatory requirements in the Bank.

3. Duties and Responsibilities

The responsibilities of the Committee shall include the following:

3(A) Enterprise Risk Management

- i. Oversee the establishment of a formal written policy on the overall risk management system. The policy should define risks and risk limits that are acceptable to the Bank. It shall provide guidelines and standards to administer the acceptance and on-going management of all risks;
- ii. Ensure that adequate policies are in place to manage and mitigate the adverse effects of both business and control risks in its operations;
- iii. Ensure compliance with established policy through periodic review of reports provided by management, internal and external (statutory) auditors and the supervisory authorities;
- iv. Ensure the appointment of qualified officers to manage the risk functions;
- v. Oversee the effectiveness of the Risk Management functions in the Bank;
- vi. Review the Bank's Risk Management policies on a periodic basis to accommodate major changes in internal or external environments and recommend same to the Board for approval.

3(B). Compliance with laws and regulations

- I. Review the Bank's activities related to the Code of Conduct and Ethics;

- II. Review the adequacy and effectiveness of the compliance programme established within the Bank;
- III. Review the process in place and ensure that new legal and regulatory requirements are identified and reflected in the Bank's processes.
- IV. Review the scope and depth of Compliance Unit's activities, and the resulting impact audit findings have on the Bank's risk profile; and
- V. Evaluate the nature and effectiveness of action plans implemented to address identified compliance weaknesses.

3(C) General Oversight

- i. The Committee shall oversee the effectiveness of the Bank's Risk Management function;
- ii. The Committee shall review on a quarterly basis specific category of risk such as counterparty, market, operational, liquidity, regulatory, compliance and reputational risk as they impact on the Bank's operations and make appropriate recommendations thereon;
- iii. The Committee shall review on a half-yearly basis the Bank's strategic risk profile and make recommendations; and
- iv. Assess on a quarterly basis effectiveness of the company's risk assessment process and recommend improvements where appropriate.

4. Authority

The Committee is authorized by the Board to:

- Investigate any activity within its terms of reference;
- Seek any information that it requires from any employee of the Bank and all employees are directed to cooperate with any request made by the Committee;
- Although the Board Credit Committee has primary responsibility for overseeing the Bank's credit management process, the Board Risk Management Committee is responsible for reviewing the Bank's risk management processes in a general manner and for oversight of enterprise risk; and
- The Committee may form and delegate authority to sub-committees, comprising one or more members of the Committee, as necessary or appropriate. The sub-committee will have the full power and authority of the Committee.

5. Size, make-up and competencies of committee members

The Committee shall comprise at least eight members, one of whom shall be an Independent Non-Executive Director. The Chief Risk Officer who is the Executive Director in charge of Risk Management shall be a member. The number of Non-Executive Directors must always exceed Executive Directors and the Committee shall be chaired by a Non-Executive Director. The Board shall consider the independence, financial literacy, accounting or related financial management expertise, entrepreneurial skills, high ethical standards and other qualifications before nominating and appointing the members of the Committee.

The appointment and removal of Committee members shall be the responsibility of the Board.

Attending each meeting by standing invitation are the Chief Conduct and Compliance Officer, Group Head, Corporate Counsel and Chief Audit Executive. The Chairperson of the Committee shall be entitled to request that the Committee meet without any of these persons.

The, Chief Conduct and Compliance Officer and the Chief Audit Executive are encouraged to meet as appropriate with the Committee Chairperson, independent of Management. The Committee Chairperson may meet with the Chief Audit Executive, the Chief Risk Officer and the Chief Conduct and Compliance Officer (either together or separately as the Chairperson deems appropriate) before each Committee meeting and at other times as required.

6. Secretary

The Company Secretary shall act as the secretary to the Committee.

7. Chairperson's eligibility and terms of appointment

The Chairman of the Committee must be a Non-Executive Director appointed by the Board, for a period of three years. The Chairman may be reappointed for a further period of three years. The Chairman shall not be eligible for further re-appointment as Chairman until after three years. The Chairman shall be a person other than the Chairman of the Board or the Chairman of the Board Credit and Finance Committee.

Where the Chairman is absent from a meeting, the Non-Executive Director previously designated by the Board as the Committee's Vice-Chairman shall preside over the meeting. Where both the Chairman and Vice-Chairman are absent from the

meeting, members of the Committee present at the meeting shall have authority to choose one of the Non-Executive Directors to be Chairman for that meeting.

8. Reconstitution

The Board reserves the right to reconstitute the membership of the Committee at any point in time it deems fit provided the composition is not at variance with the prescription of the CBN Code of Corporate Governance for Banks and Discount Houses.

9. Remuneration of members of the Committee

The Non-Executive Directors' remuneration shall be limited to Directors' fee, sitting allowance for Board and Board Committee meetings and reimbursable travel and hotel expenses. The Non-Executive Directors shall not receive benefits and salaries whether in cash or in kind, other than those mentioned above.

10. Frequency of meetings

The Committee shall meet at least once every quarter, upon request of the Chairman of the Committee or any other two members of the Committee. The quarterly meeting shall be held in January, April, July, and October of every year or such other months as exigencies of the Bank's operations may require.

11. Attendance at Committee Meetings

All Committee members are required to attend all meetings of the Committee.

12. Notice of meetings

The secretary shall provide notice of meetings, but lack of notice shall not invalidate the proceeding of any meeting at which a quorum was present.

13. Quorum at meetings

Five members of the Committee, at least three of whom must be Non-Executive Directors shall constitute a quorum.

14. Record keeping at meetings

The Secretary shall keep minutes of the Committee meetings. The minutes of the Committee meetings shall be presented for approval at the next meeting of the Committee.

15. Appointment of sub-committee

The Committee may appoint its own Sub-Committees and delegate any of its responsibilities that do not require involvement of the committee as a whole, to a sub-committee. The sub-committee may comprise one or more members



of the Committee. Each Sub-Committee shall report its activities at the next practicable meeting of the Committee

16. Ability to take external advice

The Committee has the power to obtain advice and assistance from, and to retain at the Bank's expense, such independent or outside legal counsel, accounting or other advisors and experts as it determines necessary or appropriate to carry out its duties. The Committee shall have the sole authority to retain, replace and approve fees and other retention terms for any consultant or advisors that it requires to assist it in fulfilling its duties.

17. Reporting and accountability

The Committee shall report the proceedings and recommendations of each meeting to the Board at the next practicable meeting of the Board.

The Board shall evaluate the performance of the Committee as part of the annual Board evaluation exercise.

18. Chief Conduct and Compliance Officer

The appointment and removal of the Chief Conduct and Compliance Officer shall be the responsibility of the Board of Directors subject to CBN's ratification. The CBN must be notified of any change and reasons thereof, within fourteen (14) days of such change.

19. Chief Risk Officer.

The Chief Risk Officer shall report directly to the Board Risk Management Committee

20. Other Issues

The Board may rely on information provided by the Committee and its members in relation to matters within the Committee's responsibility under the terms of this Charter if it has evaluated the information and is not aware of any reasonable basis upon which to question its accuracy.



21 Approval and Effective Date

This Charter becomes effective immediately upon approval of the Central Bank of Nigeria

